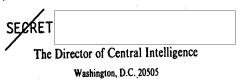
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18 May 1988

National Intelligence Council

MEMORANDUM FOR: Director of Central Intelligence

Deputy Director of Central Intelligence

FROM:

Fritz W. Ermarth

Chairman

SUBJECT:

Comment on Monthly Warning Highlights

Attached are the NIOs' monthly warning notes and a summary of their highlights by NIO/Warning, to which I wish to add some comments of my own.

Soviet Leadership

I personally believe that the Community tends at the present moment to overrate Gorbachev's political strength. That tendency is reflected in the warning note and the highlight. On the other hand, it is soberly resisted in today's PDB (at TAB A). It looks to me like Gorbachev has failed to create a mechanism that will "pack" the June party conference with reformers. Hence, the conference will probably represent more of a stalemate than the victory he originally planned in consolidating his power base and advancing his program. At any time there could be a showdown in the Politburo, such as Khrushchev faced in 1957 and 1964, whose outcome would be hard to predict. More likely, however, Gorbachev faces a long slogging struggle to enlarge his power base and to institutionalize his reform program.

We tend to forget that Gorbachev really hasn't been at it very long. With a far stronger power base in the party apparat and the military than Gorbachev started out with, Khrushchev took four years to fully consolidate his power and, even then, did so as a result of winning a showdown called by his enemies in the Politburo. Moreover, he was removed by just such a power play seven years later which, his son now tells us, he actually saw coming several weeks in advance.

Gorbachev faces formidable obstacles to his success and threats to his political survival. On balance, the odds still favor him. Even though he lacks an institutional power base outside the Kremlin walls, the wholesale support of the intelligentsia -- so important in the Russian context -- partly makes up for this. He is skillful and bold, but not rash. Most important, his conservative opponents have fears and resentments but no program or even sense of direction that can match his. If the party conference is not the victory he planned on, he will doubtless come up with another strategy, perhaps a series of "issue" plenums of the Central

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Committee at which he could make Politburo changes. He must fairly soon, however, do two things to secure his Kremlin position for the long haul: Remove Ligachev from the Secretariat and put his own man in charge of the KGB.

The apparent leadership stalement suggests that, for the moment, Gorbachev will avoid foreign policy initiatives that would be controversial internally, e.g., announcing a large unilateral Soviet military troop cut in Europe. The trouble is that you never know with this guy, so we and the policymakers must remain prepared for such initiatives.

Korea

The deployment of SA-5s in North Korea adds a new dimension to the warning problem there.

General

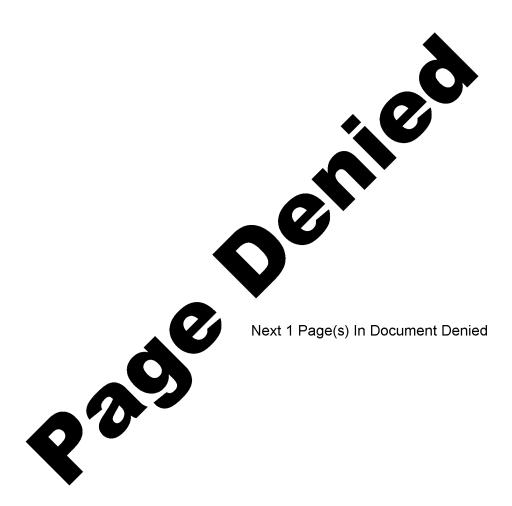
Warning meetings convened monthly by the NIOs are an excellent way to keep the Community tuned up and focused. The monthly warning reports are good devices for recording the evolution of Community thinking. But they don't seem to be very timely devices for getting that thinking to you. I'm going to look into fixing that.

Fritz W. Ermarth

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National Intelligence Council

17 May 1988

NOTE FOR: Chairman, NIC

FROM: Charles E. Allen

NIO/Warning

The amended US/USSR section reflects the

views of as of 1330 this afternoon. STAT

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Charles E. Allen